



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

April 20, 2009

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

## **DOCUMENT STORAGE CONTRACTS FOR OFF-SITE STORAGE AND RETRIEVAL SERVICES - STATUS UPDATE**

In a May 20, 2008 memorandum, we advised your Board of a contracting policy compliance issue which had been identified regarding services the County received for off-site storage and retrieval of County records. A review conducted by the Auditor-Controller (Auditor) determined that a lack of understanding regarding use of Blanket Purchase Orders (BPOs) resulted in several departments continuing to procure record storage services via BPOs exceeding County policy on delegated authority. The memorandum described the nature of the issue and the remedial actions this Office, in collaboration with the Auditor, County Counsel, and the Internal Services Department (ISD), would pursue to address the issue.

At that time, we indicated to your Board that, for the immediate term, we would instruct the Director of Internal Services to coordinate and issue "Confirming Purchase Orders" to release payments currently held in abeyance for services provided by document storage vendors, Iron Mountain and File Keepers, respectively. As such, we provided your Board with a detailed listing of the affected departments with current outstanding payments due to the vendors. ISD completed this action to temporarily alleviate the situation.

The second step to address the issue was to seek your Board's approval to authorize this Office to execute short-term sole source master agreements with Iron Mountain and File Keepers for off-site storage and retrieval services for County departments' records. This intermediate step would provide time to pursue our final action in this matter; namely, to conduct a long-term, broad-scale, competitive solicitation for Master Agreements for document storage and related services that would be available to all departments requiring those services.

This Office formed a workgroup of departments with contracts for document storage services to develop the short-term sole source master agreements. Based upon our further research on this approach, we concluded that it was not the most prudent course to pursue. Rather, we concluded that it was in the best interest of the County to open the solicitation process to the

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wider vendor community, despite the time delay this action would cause. As such, we do not recommend the County pursue sole source master agreements with Iron Mountain or File Keepers.

### **Actions to be Taken**

In contrast to the sole source master agreement approach, we are proceeding to conduct a long-term, broad-scale, competitive solicitation for Master Agreements for document storage and related services that would be available to all departments requiring those services. This Request for Statements of Qualifications will be issued by ISD, and will be open to all vendors. We expect to return to your Board by April 2010 with our contract award recommendations. This approach will ensure the County receives the best service for the most competitive price and will serve as a valuable time-saving resource to departments by eliminating the need for individual departments to conduct separate, formal solicitation processes and contract negotiations over standard conditions.

Finally, there is an immediate need to provide departments (without existing document storage contracts) the ability to continue receiving these services via ISD-issued "Confirming Purchase Orders" while the solicitation process for these services is conducted. The departments, their current average monthly, and annual expenditures for document storage services are listed in the chart below. We estimate these departments will need to continue these services through April 2010, when we anticipate having the Master Agreement in place. All expenditures would be within approved budgeted resources.

DEPARTMENT	MONTHLY AMOUNT	YEARLY AMOUNT	VENDOR
Alternate Public Defender	\$5,500	\$66,000	Iron Mountain
Assessor	\$4,500	\$54,000	Iron Mountain
Auditor-Controller	\$4,500	\$54,000	Iron Mountain
Chief Executive Office	\$2,389	\$28,668	Iron Mountain
Consumer Affairs	\$410	\$4,920	Iron Mountain
Human Resources	\$600	\$7,200	Iron Mountain
Regional Planning	\$300	\$3,600	Iron Mountain
<b>TOTAL</b>	<b>\$18,199</b>	<b>\$218,388</b>	

DEPARTMENT	MONTHLY AMOUNT	YEARLY AMOUNT	VENDOR
Fire	\$147	\$1,764	File Keepers
Mental Health	\$2,000	\$24,000	File Keepers
Regional Planning	\$6,000	\$72,000	File Keepers
Treasurer and Tax Collector	\$700	\$8,400	File Keepers
<b>TOTAL</b>	<b>\$8,847</b>	<b>\$106,164</b>	

DEPARTMENT	MONTHLY AMOUNT	YEARLY AMOUNT	VENDOR
Coroner	\$600	\$7,200	Recall
Human Resources	\$834	\$10,008	Recall
Probation	\$1,400	\$16,800	ARL
<b>TOTAL</b>	<b>\$2,834</b>	<b>\$34,008</b>	

Each Supervisor  
April 20, 2009  
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We will proceed with the foregoing courses of action unless otherwise instructed. Please let me know if you have any questions or your staff may contact Martin Zimmerman at (213) 974-1326 or [mzimmerman@ceo.lacounty.gov](mailto:mzimmerman@ceo.lacounty.gov).

WTF:ES:MKZ  
FC:VLA:pg

c: Auditor-Controller  
Acting County Counsel  
Interim Chief Information Officer  
Director of Internal Services

2009-04 – 04-20-09 Document Storage Contracts for Off-Site Storage and Retrieval Services – Status Update